December 1991

$7.00

Jobber Fights Federal EPA in First UST Case
Financing Problems Still Hover Over Marketers
Industry Responses to HR 2966

NPN

NPN
NATIONAL PETROLEUM NEWS
Established in 1909

VOL. 83 **NO. 13**

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Editor's Viewpoint

The chance of being a victim in a violent crime is now greater than being hurt in a traffic accident... Last year, the United States led the world in murder, rape and robbery rates; as an example, American women are eight times more likely to be raped than European women... C-stores account for 6.1% of all robberies.

Frightening, isn't it. These are some of the startling statistics that appeared this past month in the National Assn. of Convenience Stores' (NACS) survey on C-store crime and security. Three studies were conducted for NACS examining various aspects of the crime issue. These included patterns and trends in C-store crime and the effectiveness of robbery deterrence measures.

I must confess that after reading the NACS report, I was more confused than ever on several issues, and whether the industry has really made any strides in resolving certain C-store security issues. There is little in the report that convinces me, for example, that two clerks are safer than one.

However, there was some very encouraging data in the report. In the past 15 years, convenience store crime has declined. In fact, the robbery rate per store was cut in half from 1976-'86, in large part due to the widespread introduction of store security measures. And, although C-store robberies did increase 4% in 1990, this was the lowest rate reported in all robbery categories.

Perhaps even more significant is the concentration factor. Almost 80% of all C-stores were robbery-free in 1990, and 78% had no robberies in the prior year. To top that off, while 13% of U.S. C-stores experienced one robbery last year, only 7% had two or more such incidents. What this means, NACS reports, is that almost two-thirds or 65% of all C-store robberies were confined to 6.5% of all U.S. store locations.

What does this data tell us? First, attempts to educate employees and improve overall safety in C-stores, i.e., cameras, drop safes, clear windows, etc., are obviously working. Second, the gathering and analysis of crime statistics are also greatly improving. Assuming it will follow the report's recommendations, NACS will be taking some positive steps in this direction, including conducting annual industrywide crime surveys, providing C-store operators a mechanism for uniform reporting of crime statistics and reconciling robbery counts with those reported by the Federal Bureau of Investigations. This last step is long overdue.

C-store crime might not be as rampant as many feared. But it remains a very serious industry problem. If we want to demonstrate to customers and employees that C-stores are safe places to shop and work, then we all need to work together to identify problems and workable solutions.

And I emphasize "working together." There are areas where various segments of the industry do not see eye to eye—HR 2966, the Petroleum Marketing Competition Enhancement Act, is one example. But the crime issue is another matter. We certainly can and should join forces to convince the public that C-stores are safe.

I think Ernie Banks, "Mr. Cub," who was signing autographs at the Spangler Candy Co. booth at the NACS convention in Orlando said it best: To solve this problem and others, "We only need to come together once."

—Peggy Smedley

NPN—National Petroleum News (ISSN 0149-5267) is published monthly (except semi-monthly in June) by Hunter Publishing Limited Partnership, 950 Lee Street, Des Plaines, Illinois 60016. (708) 296-0770.

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Second class postage paid at Des Plaines, Illinois and additional mailing offices.

National Petroleum News is directed to oil company and refiner-marketer personnel, oil jobbers, convenience store executives, equipment manufacturers, distributors, suppliers, dealers and service companies, and other miscellaneous marketers. Primary readership are the executive management and supervisory personnel engaged in the above areas of petroleum marketing. Position, company and segment of industry must be indicated on subscription orders.

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Postmaster: Send address changes to NPN—NATIONAL PETROLEUM NEWS, 950 Lee Street, Des Plaines, Illinois 60016.

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API and the Coalition square off in the pages of *NPN* over HR 2966. Here are their responses, pro and con.

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Tough Going Affects Third-Quarter Earnings

For most oil companies, third-quarter earnings reports left much to be desired. The sluggish economy, weak demand, soft prices and special write-offs by some companies were generally blamed for the almost non-stop array of minus signs.

Only Exxon and Citgo stood out on the positive side—Exxon with a 3.7% increase and Citgo with a plus 51.3% for their third quarters. But don't forget, a small increase of 3.3% for Exxon is $40-million while a 51.3% increase for Citgo is $25-million.

For the first nine months of 1991, Exxon recorded an increase of 30%, or roughly $1-billion more than the like period of last year. Mobil was up too for the nine months, 23.9% over 1990. Conoco and Citgo were among the others that improved themselves over the preceding year—Conoco by 12.9% and Citgo by 9.5%.

Among the biggest losers in the third quarter were Unocal, down 92.6%; Total Petroleum, down 91%; Coastal, 89.7; Marathon, 72.0% and Fina, 70.9%.

Shell, still struggling to regain its financial footing, lost $14-million in the third quarter (versus a profit of $227-million last year) and netted only $43-million for the first nine months of 1991 compared with a net of $590-million last year.

Third-Quarter, Nine-Month Earnings Were Depressing
(Millions of dollars)

Company	3rd Q. 1991	3rd Q. 1990	% Chng.	9 Mos. 1991	9 Mos. 1990	% Chng.
Exxon	$1,115.0	$1,075.0	3.7	$4,480.0	$3,445.0	30.0
Mobil	365.0	379.0	(3.7)	1,520.0	1,227.0	23.9
Chevron	313.0	403.0	(22.3)	1,254.0	1,524.0	(17.7)
Amoco	290.0	530.0	(45.3)	1,331.0	1,275.0	(3.2)
Shell	(14.0)	227.0	--	43.0	590.0	(92.7)
Texaco	286.0	381.0	(24.9)	970.0	1,062.0	(8.7)
Arco	(156.0)	462.0	--	441.0	1,445.0	(69.5)
Phillips	56.0	178.0	(68.5)	232.0	542.0	(57.2)
Conoco	209.0	310.0	(32.6)	760.0	673.0	12.9
Marathon	23.0	82.0	(72.0)	158.0	292.0	(45.9)
Unocal	9.0	121.0	(92.6)	89.0	363.0	(75.5)
Coastal	3.4	33.0	(89.7)	83.9	130.7	(35.8)
Amer. Hess	(7.5)	280.0	--	135.9	247.5	(45.1)
Sun	(436.0)	25.0	--	(352.0)	211.0	--
Pennzoil	32.4	26.4	22.7	67.3	63.8	5.5
Ashland (*)	62.5	59.1	5.8	145.0	182.1	(20.4)
Kerr-McGee	26.8	43.1	(37.8)	66.8	100.3	(33.4)
Fina	7.7	26.5	(70.9)	20.2	106.5	(81.0)
Citgo	66.0	43.6	51.3	219.2	200.2	9.5
Murphy	43.6	37.6	16.0	(35.9)	95.1	--
Total Petro.	3.3	36.8	(91.0)	(.8)	41.7	--
Dia. Sham.	17.4	53.2	(67.3)	39.4	69.7	(43.5)

(*) Fourth quarter and full year; fiscal ends 9/30.

Downstream, Some Companies Made Out OK
(Millions of dollars)

Company	3rd Qtr. 1991	3rd Qtr. 1990	% Chng.	9 Mos. 1991	9 Mos. 1990	% Chng.
Exxon (Total)	$410	$246	67	$2,295	$1,011	127
Domestic	98	54	82	467	102	358
Foreign	312	192	63	1,828	909	50
Mobil (Total)	173	5	336	894	375	138
Domestic	40	(22)	--	205	75	173
Foreign	133	27	393	689	300	130
Chevron (Total)	126	35	(260)	409	613	(33)
Domestic	(10)	(53)	--	73	376	(80)
Foreign	136	88	55	336	237	42
Texaco (Total)	200	169	18	665	633	5
Domestic	82	108	(24)	207	309	(33)
Foreign	118	61	93	458	324	41
Amoco (*)	94	262	(64)	535	292	83
Shell	(14)	13	--	(5)	65	--
Arco	59	138	(57)	218	385	(43)
Phillips	43	51	(16)	95	160	(47)
Conoco	44	71	(38)	188	136	38
Sun	8	14	(43)	119	170	(30)
Marathon	65	142	(40)	318	482	(34)

(*) Worldwide; domestic breakout not available.

NACS Security Study: Just a 'Beginning'

A 20-month independent research report on store security, commissioned by the National Assn. of Convenience Stores, was presented at the association's 30th annual meeting November 5 in Orlando, Fla. Centering on three key areas—crime and security; homicide and rape; and robbery deterrence—the report was designed to help create the safest practical working and shopping environment for convenience store employees and customers, according to NACS.

Several statistics in the report indicated that the industry is making progress in improving store security. For example, 79% of all C-stores in the survey were found to be robbery-free. While pleased with some of the developments shown in the survey, NACS says there is much work to be done to curtail crime, and referred to its first comprehensive study on security as a "beginning."

Many of the study's recommendations will require an expanded role and involvement in the security area. Recommendations include the creation of additional task forces, new reporting mechanisms and commissioning more annual surveys. However, the study lacked specific recommendations on steps operators could take to improve security. For instance, the study made no recommendation on the one clerk versus two clerks issue other than further study on "repeat robbery locations" situations. That recommendation was made after research determined that two clerks at night had no impact on security for 90-97% of the companies which added a second clerk.

Other survey findings: 65% of homicides were random crimes; 66.6% of rapes were not in conjunction with a robbery; handguns were used in 71% of the cases; and, surprisingly, installation of closed-circuit television systems resulted in a first-year reduction in crime and an increase in second-year crime.

The research was conducted by F. Barry Schreiber, Ph.D., a professor of criminal justice at St. Cloud State University, St. Cloud, Minn.; Rosemary J. Erickson, president, Athena Research Corp., Washington, D.C.; and Robert M. Figlio, Ph.D., a professor of sociology at the University of California-Riverside.

• TRENDS

Gasoline Derby: Changes May Be in the Wind

They're in the home stretch now, and if it can be assumed that the last three months of 1991 will be no better or no worse than the first nine months and no positions will change, look for some surprising developments in the ongoing gasoline derby which determines who's the nation's No. 1 retailer.

It's a real horse race right now, the tightest it has been in years. There are three contenders and they're so close at this point in time that any one of them could emerge from the pack and be acclaimed as the champion by a nose—or less, if that's possible.

The frontrunners are Shell, which has owned the No. 1 title for the past five years, Exxon and Chevron.

Would you believe it, in an industry selling more than 115-billion gal. of gasoline a year, that the margin between the current leader and the runner-up is only 46-million gal., and the margin separating second and third place is less than that, only 31-million gal.?

Those margins are equal to less than two days of gasoline sales by any one of the three. Thus a hot, slam bang promotion program, or an unexpected streak of good luck, could probably change the outcome (and with it the title) for any one of them. It must be remembered, however, that these are preliminary figures and involve "guesstimating" concepts based on tenuous nine-month totals. The "official" full-year figures won't be available until springtime, probably mid-April or thereabouts. It must be noted, too, that these are gross gasoline gallons reported by the suppliers—branded, unbranded, retail, wholesale, etc., the whole bit.

Shell, the leader, has or is having another bad year, financially and in the gasoline marketplaces. Things have been so drab for Shell that many economists and other forecasters didn't believe it was in the cards for the titlist to hang on; that it wouldn't be possible for another year.

Preliminary figures indicate Shell's gasoline volume will be down about 3.5% for the year 1991. It was flat in 1990 and down almost 5% in 1989. Even with the anticipated 1991 drop-off, however, Shell is now expected to retain the No. 1 retailer title by one of the slimmest margins ever. Another surprising point is that Shell's gross gallonage will drop below the 10-billion gal. level it has maintained annually since 1987. Only one other company, Chevron, has ever topped 10-billion gal. before and that happened in 1984, immediately after the California oil company's acquisition of Gulf Oil. It lasted only one year.

The next surprise of the current derby is Exxon's leapfrogging over Chevron and Texaco from fourth to second place. Assuming all the assumptions heretofore are correct, Exxon will show an 8.9% increase in gasoline sales in 1991, at a time when nationwide demand is as sluggish as the economy. Except for Shell, which is experiencing that 3.5% decline, all others among the top six experienced volume improvements in 1991, the lowest being Chevron with 1.8% and the others being Texaco with 1.8%; Amoco, 3.2%; and Mobil, 4.1%; and Exxon, 8.9%.

Chevron's gasoline performance in 1991 is considered disappointing by some industry observers. In view of Shell's problems, Chevron had been expected to be almost a shoo-in as its successor when the horns and whistles blow at midnight, Dec. 31. But that doesn't seem to be in the cards now. Exxon's mighty surge is the reason why.

Here's what the overall picture looked like as the six top companies raced through the fourth-quarter home stretch:

Gross Gallonage

Rank '91	Rank '90	Co.	(Add 000) 1991	1990	% Chng '91 v '90
1	1	Shell	9,811,200	10,163,790	(3.5)
2	4	Exxon	9,765,210	8,968,050	8.9
3	2	Chevron	9,734,550	9,565,920	1.8
4	3	Texaco	8,983,380	8,738,100	2.8
5	5	Amoco	8,922,060	8,646,120	3.2
6	6	Mobil	8,569,470	8,232,210	4.1

—By J. Richard Shaner

• MARKETPLACE AT A GLANCE

AVERAGE GASOLINE PRICES IN THE U.S. (per gal.)

SEPTEMBER	Gasoline (All types)	Leaded Regular	Unleaded Regular	Unleaded Premium
U.S. City Avg.	$1.199	*	$1.143	$1.324
Regions				
Northeast	1.289	*	1.213	1.419
North Central	1.167	*	1.132	1.291
South	1.184	*	1.114	1.291
West	1.178	*	1.140	1.312

** Data no longer collected or available.*
Source: U.S. Dept. of Labor, Bureau of Labor Statistics.

STOCKS (Add 000 bbl.)

	11/1/91	11/2/90
Gasoline (Total) [a]	204,207	221,221
Unleaded Gasoline	161,426	171,557
Jet Kerosine	43,631	45,131
Distillates	131,569	138,227
Residual	46,571	49,667

[a] *Leaded regular prices no longer collected by Bureau of Labor Statistics.*
Source: American Petroleum Institute.